

# ASK Indian Entrepreneur Portfolio Factsheet - Jan 2024

Public

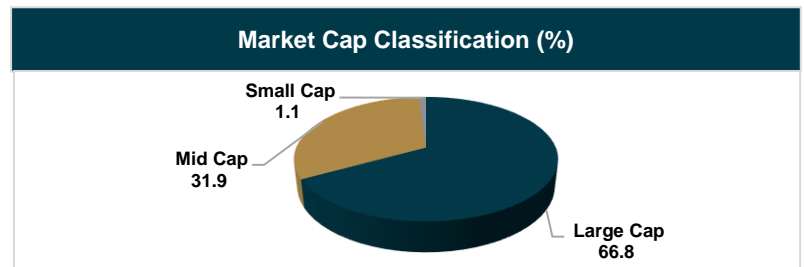
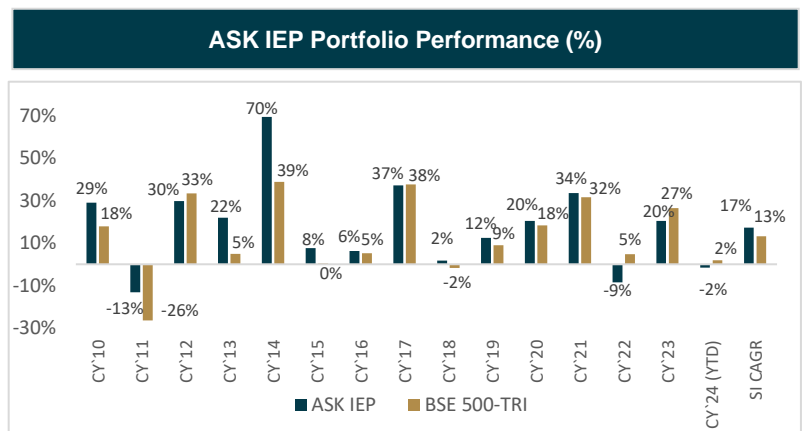
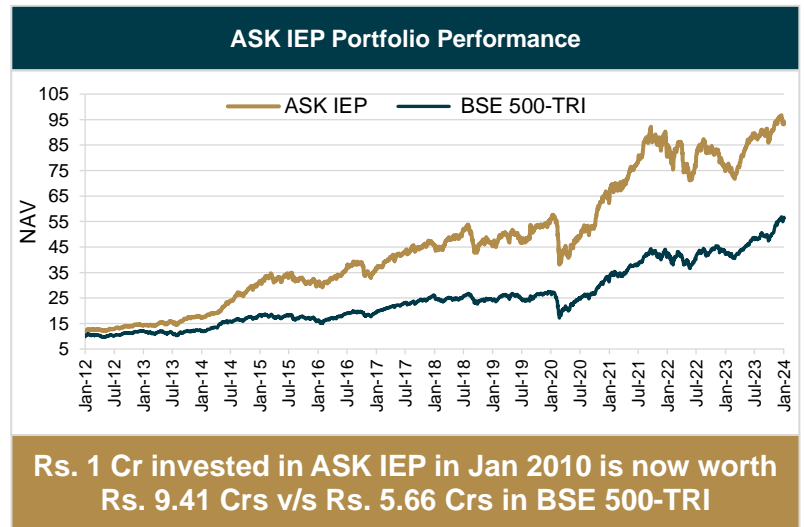
**ASK** Investment  
Managers

**Investment Approach Objective:** ASK Indian Entrepreneur Portfolio (ASK IEP) invests in entrepreneurially driven and/or family-owned businesses; listed on the Indian stock markets, for compounding gains over the medium to long term.

Top 10 Holdings (%)	
Cholamandalam Investment & Finance Co. Ltd	6.0
Bajaj Finserv Ltd	5.8
Reliance Industries Ltd	5.8
Bajaj Finance Ltd	5.6
APL Apollo Tubes Ltd	5.4
Patanjali Foods Ltd	5.1
Bharti Airtel Ltd	4.9
Torrent Pharmaceuticals Ltd	4.9
AU Small Finance Bank Ltd	4.8
TCS Ltd	4.7

Top Sector Weights (%)	
Pharma	11.6
NBFC	11.5
Banks	8.1
Retail	7.8
Telecom	7.0
Insurance	5.8
Oil & Gas	5.8
Pipes	5.4

ASK IEP Portfolio Metrics	
Total Assets under Management & Advisory in Rs. Crs.	18,866
Weighted Average Market Cap in Rs. Crs.	3,32,059
Median Market Cap in Rs. Crs.	97,443



## ASK IEP Portfolio Update

The benchmark index turned volatile in the month of January, correcting towards the second half of the month as the Q3FY24 result season gained momentum. The index ended the month at 1.9% with the portfolio underperforming the benchmark. PSU stocks continue to hog the limelight, continuing their great run.

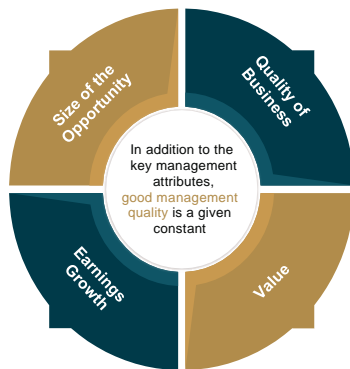
The ongoing result season on the other hand, has so far been on expected lines. However, trends in discretionary consumption have been mixed. Also, lending businesses saw some impact on NIMs and increase in provisions. Among portfolio companies, Bajaj Finance and AU Small Finance Bank were impacted and saw impact on stock prices. The IT companies reported weak revenue growth numbers while margins have been a positive surprise as companies have been able to optimize their cost structures. The automobile sector continued to report strong numbers on the back of higher volumes and margin tailwind. Infra businesses continue to report strong numbers, however, APL Apollo which is a beneficiary of infrastructure spend in the country, saw impact of destocking due to volatile steel prices. However, we believe as steel prices normalize, we should see restocking (onetime benefit) over and above the normalized volume growth led by industry growth and market share expansion.

The key contributors in the month were Bharti Airtel, Reliance Industries and Torrent Pharma. The key laggards during the month were AU Small Finance Bank, Asian Paints and Avenue Supermart. On the portfolio action front, we trimmed exposure in Page Industries and increased weight in KEI Industries.

**Note:** Inception Date of ASK IEP is 25-Jan-2010. Note: Performance figures are net of all fees and expenses. ASK Portfolio returns are composite returns of all the Portfolios aligned to the investment approach as on Jan 31<sup>st</sup>, 2024. Returns for individual client may differ depending on time of entry in the Portfolio. Past performance may or may not be sustained in future and should not be used as basis for comparison with other investments. Returns for 1 year or lesser time horizon are absolute returns, while more than 1 year are CAGR. Returns have been calculated using Time Weighted Rate of Return method (TWRR) as prescribed by the SEBI. Source: Closing Price as sourced from Bloomberg. Returns for 1 year or less time period are absolute returns, while more than 1 year are CAGR. Market Cap is according to AMFI Classification which happens half yearly. Classification as on Dec '23. As per SEBI regulatory requirement, the benchmark for this investment approach is revised from BSE 500 to BSE 500 TRI w.e.f. 1 April 2023.

### Key Investment Approach Objectives & Attributes

- Size of pond vs size of fish
- Dominance
- Resilience
- Liquidity

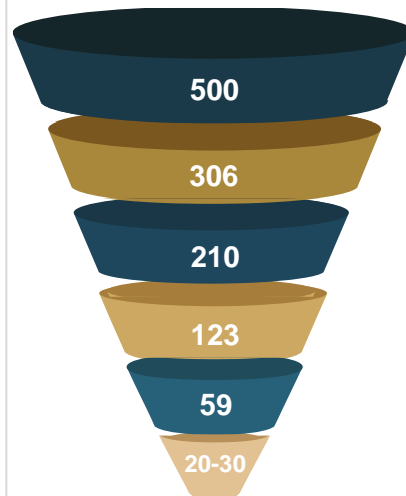


- High quality of business
- (Superior RoCE)
- Strong moat, Impregnability
- Sustainability
- Key pivot of strong wealth creation

- Quantum
- Consistency
- Durability
- Predating (Early vs Later)
- Compounding power

- Favorable Price-Value Gap
- Margin of safety

### Investment Approach Research Methodology & Filtration



- Top 500 as per market capitalization
- Only companies > 25% promoter / family holding (except in very rare and fit cases), Universe of Entrepreneurs and/or Family Owned Business = 306 cos
- Condition of minimum PBT of INR 100 Crs (USD 16 mn)
- Subjective evaluation on management quality, their integrity, vision, past track record, execution, capital allocations and distribution skills, corporate governance standards etc.
- Quality of Business (Capital Efficiency) - Minimum ROCE of 25%
- Two more filters for selection of stocks a) Minimum 20-25% earnings growth over the next 3 to 5 years without capital dilution and b) Price-Value gap (Margin of Safety) of 20%

### FY-wise Drawdown Analysis

Financial Year	Max Drawdown		FY Performance	
	ASK IEP	BSE 500-TRI	ASK IEP	BSE 500-TRI
FY 11	-18%	-20%	22%	9%
FY 12	-14%	-24%	3%	-8%
FY 13	-4%	-10%	13%	7%
FY 14	-7%	-15%	34%	19%
FY 15	-2%	-7%	73%	35%
FY 16	-15%	-19%	-5%	-6%
FY 17	-17%	-12%	25%	26%
FY 18	-5%	-11%	15%	13%
FY 19	-19%	-16%	11%	10%
FY 20	-31%	-38%	-18%	-26%
FY 21	-11%	-10%	69%	79%
FY 22	-18%	-14%	21%	22%
FY 23	-17%	-15%	-13%	-1%

### ASK IEP Portfolio Cos Average Performance over last 5 years (CAGR) as on FY23

Sales	OP	PBT	ROCE*	PAT
18%	17%	18%	30%	22%

\*For Banking & Financial companies, we have not considered ROCE, but have considered ROE for the above analysis. ROCE is only for FY

### Risk Parameters (Since inception)

Parameter	ASK IEP	BSE 500-TRI
Beta	0.84	NA
Standard Deviation	15.9%	16.2%
Sharpe Ratio	0.60	0.36

### Key Terms

Portfolio Name	ASK Indian Entrepreneur Portfolio (IEP)
Platform / Structure	PMS
Benchmark	BSE 500 TRI
Portfolio Managers	Mr. Sumit Jain (Primary Portfolio Manager) / Chetan Thacker (Co-Portfolio Manager)
Minimum Initial Investment Amount	Rs. 50 Lakhs
Minimum Add-on Investment Amount	Rs. 5 Lakhs
Fees <sup>1</sup>	Fixed Management Fees: 2.50% p.a.
Systematic Transfer Plan (STP) <sup>2</sup>	Investments will be made in a staggered manner as per the instructions provided by the client. Fees as per the respective strategy (ASK Liquid / ASK Equity) will be charged for the invested amount.

#### Notes:

- <sup>1</sup> In addition to the Management Fees, there are Recurring Expenses including Custody Fee, Account Opening Charges, Audit Fees, etc. to be payable at actuals. All fees and expenses will be subject to applicable taxes. For more details, kindly refer the Fee Schedule.
- <sup>2</sup> Kindly refer to the STP Application Form for the detailed terms and conditions.
- Exit Charges are calculated on each tranche of inflow (initial or additional). Redemption amount is arrived at after calculation and charging of all Fees and

**Disclaimers:** Any information contained in this material shall not be deemed to constitute an advice, an offer to sell/purchase or as an invitation or solicitation to do for security of any entity and further ASK Investment Managers Limited (ASKIM) and its employees/directors shall not be liable for any loss, damage, liability whatsoever for any direct or indirect loss arising from the use of this information. Recipients of this information should exercise due care and caution and read the Disclosure Document (if necessary, obtaining the advice of finance/other professionals) prior to taking any decision on the basis of this information which is available on <https://www.askfinancials.com/ask-investment-managers/disclosure.aspx>

**ASK Investment Managers Limited (Registration No: INP000008066)** has not independently verified all the information and opinions given in this material. Accordingly, no representative or warranty, express or implied, is made as to the accuracy, completeness or fairness of the information and opinions contained in this material. ASKIM has launched direct onboarding facility. This facility shall enable users / visitors to have direct access to ASK IM PMS Investment approaches. These products are also available through existing Distributor/Referral or Channel Partners. The performance related information provided herein is not verified by SEBI nor has SEBI certified the accuracy or adequacy of the same.